

HOUSE BILL REPORT

HB 2231

As Reported by House Committee On: Finance

Title: An act relating to authorizing a property tax levy to reimburse taxing districts for property taxes refunded under chapter 84.69 RCW and property taxes abated under RCW 84.70.010.

Brief Description: Authorizing a property tax levy to reimburse taxing districts for property taxes refunded under chapter 84.69 RCW and property taxes abated under RCW 84.70.010.

Sponsors: Representatives Miloscia and Priest; by request of Department of Revenue.

Brief History:

Committee Activity:

Finance: 2/24/09, 3/2/09 [DP].

Brief Summary of Bill

- Allows property tax refund levies to recover taxes that are abated on destroyed property.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 6 members: Representatives Hunter, Chair; Hasegawa, Vice Chair; Conway, Ericks, Santos and Springer.

Minority Report: Do not pass. Signed by 3 members: Representatives Orcutt, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Condotta.

Staff: Rick Peterson (786-7150)

Background:

Property tax refunds are made for a number of reasons, including clerical errors in extending the tax rolls or errors in listing the property. Also, a successful challenge to a property's assessed values may result in a court order to refund taxes. A county tax refund levy is authorized to compensate for property tax refunds that are made. The refund levy includes refunds from both regular and excess levies. These refund levies are subject to the district's

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

statutory rate limit and the 1 percent revenue limit. Therefore, they can only be made to the extent the district is below its maximum rate and only to the extent that the total rate is less than \$10 per \$1,000 of value.

Taxes are abated on property that is destroyed, in whole or in part, or is in an area that has been declared a disaster area by the Governor or the county legislative authority and has been reduced in value by more than 20 percent as a result of a natural disaster. The amount of the abatement is proportional to the value reduction and the number of days remaining in the year. If the taxes have already been paid, then they are refunded.

Summary of Bill:

Property tax refund levies may be made to recover taxes that are abated on destroyed property. These property tax refund levies are not subject to the 1 percent revenue limit.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill streamlines the process so that local districts can provide up-front relief to taxpayers and still use the refund levy process. Otherwise, the district would need to require the taxpayer to pay the tax and then provide a refund before the district can use the refund levy process. This bill will streamline the process.

(Opposed) None.

Persons Testifying: Drew Shirk, Department of Revenue; Dianne Dorey, Lewis County Assessor; and James McMahan, Washington Association of County Officials.

Persons Signed In To Testify But Not Testifying: None.